

State of New Mexico
Energy, Minerals and Natural Resources Department

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Gabriel Wade, Acting Director
Oil Conservation Division



January 9, 2019

Ms. Zoe E. Lees
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NON-STANDARD LOCATION

Administrative Order NSL-7799

**Marathon Oil Permian LLC [OGRID 372098]
Cave Lion 5 WC Federal Well No. 2H
API No. 30-025-PENDING**

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	287 FSL & 1811 FWL	N	5	26S	35E	Lea
First Take Point	100 FSL & 1313 FWL	D	5	26S	35E	Lea
Last Take Point/ Terminus	100 FNL & 1312 FWL	D	5	26S	35E	Lea

Proposed Horizontal Spacing Unit

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W2 of Section 5	320	Bradley; Wolfcamp	72860

Reference is made to your application received on December 18, 2018.

You have requested to drill this horizontal well at an unorthodox gas well location described above in the referenced pool or formation. Sub Paragraph (a) of Paragraph (1) of Subsection B of 19.15.16.15 NMAC governs this proposed well and provides that the operator shall dedicate to each horizontal oil well a standard horizontal spacing unit that comprises of one or more contiguous tracts that the horizontal oil well's completed interval penetrates, each of which consists of a governmental quarter-quarter section or equivalent.

This well's completed interval is as close as 100 feet to the northern and southern edge. Encroachments will impact the following tracts.

Section 8, encroachment to the W2 and N2
Section 32, encroachment to the W2 and S2

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (8) Subsection A of 19.15.2.7 NMAC, in all adjoining units towards which the proposed location encroaches.


Division understands you seek this location as a preferred well spacing for horizontal wells to maximize the recovery of oil and gas reserves underlying the horizontal spacing unit located within the Wolfcamp formation underlying the W2 of Section 5.

Your application has been filed under Subsection 6 of Paragraph of Section (C) of 19.15.16.15 NMAC, 19.15.15.13 NMAC and Paragraph (2) of Subsection A of 19.15.4.12 NMAC.

Per Subsection B of 19.15.15.13 NMAC, Division approves this unorthodox location.

The above approvals are subject to your following all other applicable Division rules.

Jurisdiction of this case is retained for the entry of further orders as Division deems necessary.



Gabriel Wade
Acting Division Director

GW/lrl

cc: Oil Conservation Division – Hobbs District Office
Bureau of Land Management – Carlsbad Field Office